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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

Arizona Corporation Commission

DOCKETED

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DOUG LITTLE – Chairman
BOB STUMP
BOB BURNS
TOM FORESE
ANDY TOBIN

IN THE MATTER OF THE APPLICATION OF
RIO VERDE UTILITIES, INC. FOR APPROVAL OF
A RATE INCREASE FOR ITS WATER AND
WASTEWATER SERVICES.

DOCKET NO. WS-02156A-16-0201

PROCEDURAL ORDER
(Rate Case)

BY THE COMMISSION:

On June 24, 2016, Rio Verde Utilities, Inc. ("Rio Verde" or "Company") filed with the Arizona Corporation Commission ("Commission") an application for approval of a rate increase for its water and wastewater services.

On July 22, 2016, the Commission's Utilities Division ("Staff") filed a Letter of Sufficiency stating that the Company's application meets the sufficiency requirements outlined in the Arizona Administrative Code ("A.A.C") R14-2-103, and classifying Rio Verde as two Class C utilities. Due to the complexity of this case, Staff states that the Company has agreed to extension of time, until January 19, 2017, for Staff to file its direct testimony.

On July 25, 2016, Rio Verde filed notice of its election to waive the timeclock provision of A.A.C. R14-2-103(B)(11)(d)(iii) for a period of 45 days in order to allow Staff additional time to prepare and file its direct testimony. In addition, Rio Verde requests that it be allowed to prepare and mail notice of this proceeding to its customers on or before September 30, 2016. Since the Company intends to mail notice directly to each customer, Rio Verde further requests that it be relieved from the requirement to publish public notice of this proceeding.

The requests of Rio Verde are reasonable under the circumstances and should be granted.

Pursuant to A.A.C. R14-3-101, the Commission now issues this Procedural Order to govern the preparation and conduct of this proceeding.

1 IT IS THEREFORE ORDERED that the **hearing** in the above-captioned matter shall
2 commence on **March 14, 2017, at 10:00 a.m.**, or as soon thereafter as is practical, at the Commission's
3 offices, 1200 West Washington Street, Hearing Room No. 1, Phoenix, Arizona, and shall continue, if
4 necessary, at **9:00 a.m. on March 15, 2017, and March 16, 2017.**

5 IT IS FURTHER ORDERED that the Commission's **timeclock** for issuing a final order in this
6 matter is **extended by 45 days.**

7 IT IS FURTHER ORDERED that any **direct testimony** and associated exhibits to be presented
8 at hearing on behalf of **Staff and any Intervenor(s)** shall be reduced to writing and filed on or before
9 **January 19, 2017.**

10 IT IS FURTHER ORDERED that any **rebuttal testimony** and associated exhibits to be
11 presented at hearing on behalf of the **Company** shall be reduced to writing and filed on or before
12 **February 16, 2017.**

13 IT IS FURTHER ORDERED that any **surrebuttal testimony** and associated exhibits to be
14 presented at hearing on behalf of **Staff and any Intervenor(s)** shall be reduced to writing and filed on
15 or before **March 2, 2017.**

16 IT IS FURTHER ORDERED that any **rejoinder testimony** and associated exhibits to be
17 presented at hearing on behalf of the **Company** shall be reduced to writing and filed on or before
18 **March 9, 2017.**

19 IT IS FURTHER ORDERED that **all filings shall be made by 4:00 p.m.** on the date the filing
20 is due.

21 IT IS FURTHER ORDERED that **the parties shall prepare, jointly or individually, and**
22 **bring to the hearing, copies of an issues matrix/matrices** setting forth all disputed issues in this case
23 and the position of each party on the disputed issue.

24 IT IS FURTHER ORDERED that the parties shall attempt to resolve discovery disputes through
25 informal, good-faith negotiations prior to seeking Commission resolution of the controversy.

26 IT IS FURTHER ORDERED that, in the alternative to filing a written motion to compel
27 discovery, any party seeking resolution of a discovery dispute may telephonically contact the
28 Commission's Hearing Division to request a date for a procedural hearing to resolve the discovery

1 dispute; that upon such a request, a procedural hearing will be convened as soon as practicable; and
2 that the party making such a request shall forthwith contact all other parties to advise them of the
3 hearing date and shall at the hearing provide a statement confirming that the other parties were
4 contacted.

5 IT IS FURTHER ORDERED that any motion(s) filed in this matter that are not ruled upon by
6 the Commission within 20 days of the filing date of the motion shall be deemed denied.

7 IT IS FURTHER ORDERED that any response to a motion shall be filed within five calendar
8 days of the filing date of the motion.

9 IT IS FURTHER ORDERED that any reply related to a motion shall be filed within five days
10 of the filing date of the response to the motion.

11 IT IS FURTHER ORDERED that the time periods specified herein shall not be extended
12 pursuant to Rule 6(a) or (e) of the Arizona Rules of Civil Procedure.

13 IT IS FURTHER ORDERED that **intervention** shall be in accordance with A.A.C. R14-3-105,
14 except that all motions to intervene must be filed on or before **December 1, 2016**.

15 IT IS FURTHER ORDERED that any objection(s) to motions to intervene shall be filed on or
16 before **December 13, 2016**.

17 IT IS FURTHER ORDERED that Rio Verde Utilities, Inc., shall provide **public notice** of the
18 hearing in this matter, in the following form and style:

19 **PUBLIC NOTICE OF THE APPLICATION OF RIO VERDE UTILITIES, INC.**
20 **FOR APPROVAL OF A RATE INCREASE**
21 **FOR ITS WATER AND WASTEWATER SERVICES**
(DOCKET NO. WS-02156A-16-0201)

22 **Summary**

23 On June 24, 2016, Rio Verde Utilities, Inc., ("Rio Verde" or "Applicant") filed with the
24 Arizona Corporation Commission ("Commission") an application for approval of a rate
25 increase for its water and wastewater services. Rio Verde requests authorization to
26 increase its water division revenues by \$589,348, or 42.82 percent over test year
27 revenues of \$1,376,227; and increase its wastewater revenues by \$652,818, or 68.00
28 percent over test year revenues of \$960,057. For information about how Rio Verde's
revenue increases would affect your individual water and/or wastewater bill, you may
contact Rio Verde at ***[COMPANY INSERT APPROPRIATE CONTACT INFORMATION]***.

The Commission's Utilities Division ("Staff") is in the process of auditing and analyzing the application, and has not yet made any recommendations regarding Rio Verde's proposed water and wastewater rates. The Commission will determine the appropriate relief to be granted based on the evidence of record in the proceeding. **THE COMMISSION IS NOT BOUND BY THE PROPOSALS MADE BY RIO VERDE, STAFF, OR ANY INTERVENOR(S); THEREFORE, THE FINAL RATES APPROVED BY THE COMMISSION MAY DIFFER FROM AND MAY BE HIGHER OR LOWER THAN THE RATES REQUESTED BY RIO VERDE OR RECOMMENDED BY OTHER PARTIES.**

How You Can View or Obtain a Copy of the Rate Proposal

Copies of the application and proposed rates are available from Rio Verde [COMPANY INSERT HOW AND WHERE AVAILABLE]; at the Commission's Docket Control Center at 1200 West Washington Street, Phoenix, Arizona, for public inspection during regular business hours; and on the Commission's website (www.azcc.gov) using the e-Docket function.

Arizona Corporation Commission Public Hearing Information

The Commission will hold a hearing on this matter beginning **March 14, 2017, at 10:00 a.m.**, at the Commission's offices at 1200 West Washington Street, Hearing Room No. 1, Phoenix, Arizona. Public comments will be taken on the first day of hearing.

Written public comments may be submitted by mailing a letter referencing Docket No. WS-02156A-16-0201 to the Arizona Corporation Commission, Consumer Services Section, 1200 West Washington Street, Phoenix, AZ 85007, or by submitting comments on the Commission's website (www.azcc.gov) using the "Submit a Public Comment" link. If you require assistance, you may contact the Consumer Services Section at 602-542-4251 or 1-800-222-7000.

About Intervention

The law provides for an open public hearing at which, under appropriate circumstances, interested persons may intervene. An interested person may be granted intervention if the outcome of the case will directly and substantially impact the person, and the person's intervention will not unduly broaden the issues in the case. Intervention, among other things, entitles a party to present sworn evidence at hearing and to cross-examine other parties' witnesses. However, failure to intervene will not preclude any interested person or entity from appearing at the hearing and providing public comment on the application or from filing written comments in the record of the case.

To request intervention, you must file an **original and 13 hard copies** of a written request to intervene with Docket Control, 1200 West Washington Street, Phoenix, AZ 85007, **no later than December 1, 2016**. You also **must** serve a copy of the request to intervene on each party of record, on the same day that you file the request to intervene with the Commission. Information about intervention and sample intervention requests are available on the Commission's website (www.azcc.gov) using the "Intervention in Utility Cases" link.

Your request to intervene must contain the following:

1. Your name, address, and telephone number, and the name, address, and telephone number of any person upon whom service of documents is to be made, if not yourself;
2. A reference to Docket No. WS-02156A-16-0201;

3. A short statement of your interest in the proceeding (e.g., a customer of the utility, a shareholder of the utility, etc.); how you will be directly and substantially affected by the outcome of the case; and why your intervention will not unduly broaden the issues in this case.
4. A statement certifying that a copy of the request to intervene has been mailed to Rio Verde or its counsel and to all other parties of record in the case; and
5. If you are not represented by an attorney who is an active member of the Arizona State Bar, and you are not representing yourself as an individual, information and any appropriate documentation to demonstrate compliance with Arizona Supreme Court Rules 31, 38, and 42, as applicable.

The granting of motions to intervene shall be governed by A.A.C. R14-3-105, except that all motions to intervene must be filed on or before December 1, 2016. If representation by counsel is required by Arizona Supreme Court Rule 31, intervention will be conditioned upon the intervenor obtaining counsel to represent the intervenor.

ADA/Equal Access Information

The Commission does not discriminate on the basis of disability in admission to its public meetings. Persons with a disability may request a reasonable accommodation such as a sign language interpreter, as well as request this document in an alternative format, by contacting the ADA Coordinator, Shaylin Bernal, E-mail SAbernal@azcc.gov, voice phone number 602-542-3931. Requests should be made as early as possible to allow time to arrange the accommodation.

IT IS FURTHER ORDERED that Rio Verde Utilities, Inc., shall **mail a copy of the above notice to each customer** in the certificated area, with mailing to be completed no later than **September 30, 2016**.

IT IS FURTHER ORDERED that Rio Verde Utilities, Inc., shall **file certification of mailing** no later than **October 28, 2016**.

IT IS FURTHER ORDERED that notice shall be deemed complete upon mailing and publication of same, notwithstanding the failure of an individual to read or receive the notice.

IT IS FURTHER ORDERED that, as permitted under A.A.C. R14-3-107(B), each party to this matter may opt to receive service of all filings in this docket, including all filings by parties and all Procedural Orders and Recommended Opinions and Orders/Recommended Orders issued by the Commission's Hearing Division, via email sent to an email address provided by the party rather than via U.S. Mail. To exercise this option, a party shall:

1. Ensure that the party has a valid and active email address to which the party has regular and reliable access ("designated email address");

2. Complete a Consent to Email Service form, available on the Commission's website (www.azcc.gov);
3. File the original and 13 copies of the Consent to Email Service form with the Commission's Docket Control, also providing service to each party to the service list;
4. Send an email, containing the party's name and the docket number for this matter, to HearingDivisionServicebyEmail@azcc.gov from the designated email address, to allow the Hearing Division to verify the validity of the designated email address;
5. Understand and agree that service of a document on the party shall be complete upon the sending of an email containing the document to the designated email address, regardless of whether the party receives or reads the email containing the document; and
6. Understand and agree that the party will no longer receive service of filings in this matter through First Class U.S. Mail or any other form of hard-copy delivery, unless and until the party withdraws this consent through a filing made in this docket.

IT IS FURTHER ORDERED that a party's consent to email service shall not become effective until a Procedural Order is issued approving the use of email service for the party. The Procedural Order shall be issued only after the party has completed steps 1 through 4 above, and the Hearing Division has verified receipt of an email from the party's designated email address.

IT IS FURTHER ORDERED that a party's election to receive service of all filings in this matter via email does not change the requirement that all filings with the Commission's Docket Control must be made in hard copy and must include an original and 13 copies.

IT IS FURTHER ORDERED that all parties must comply with Arizona Supreme Court Rules 31, 38, 42 and A.R.S. § 40-243 with respect to the practice of law and admission *pro hac vice*.

IT IS FURTHER ORDERED that the Ex Parte Rule (A.A.C. R14-3-113 – Unauthorized Communications) now applies to this proceeding and shall remain in effect until the Commission's Decision in this matter is final and non-appealable.

IT IS FURTHER ORDERED that withdrawal of representation must be made in compliance with A.A.C. R14-3-104(E) and Rule 1.16 of the Rules of Professional Conduct (under Arizona Supreme Court Rule 42). Representation before the Commission includes appearances at all hearings and procedural conferences, as well as all Open Meetings for which the matter is scheduled for discussion unless counsel has previously been granted permission to withdraw by the Administrative Law Judge or the Commission.

IT IS FURTHER ORDERED that the Administrative Law Judge may rescind, alter, amend, or waive any portion of this Procedural Order either by subsequent Procedural Order or by ruling at hearing.

DATED this 26th day of July, 2016.



SCOTT M. HESLA
ADMINISTRATIVE LAW JUDGE


Copies of the foregoing mailed/delivered this 26th day of July, 2016 to:

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